

CHARTER
ADVISORY PANEL ON AMBULATORY PAYMENT
CLASSIFICATION GROUPS

PURPOSE

The Secretary of the Department of Health and Human Services (DHHS) (the Secretary) is required by section 1833(t)(9)(A) of the Social Security Act (the Act), [as amended by section 201(h) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA) (Public Law [Pub. L.] 106-113), and redesignated by section 202(a)(2) of the BBRA] to consult with an advisory panel on the ambulatory payment classification (APC) groups.

The Advisory Panel on APC Groups (the Panel) shall review the APC groups and their associated weights and shall advise the Secretary and the Administrator of the Centers for Medicare & Medicaid Services (CMS) (the Administrator) concerning the clinical integrity of the groups and their weights. The APC groups and their weights are major elements of the hospital Outpatient Prospective Payment System (OPPS).

AUTHORITY

Section 1833(t)(9)(A) of the Act (42 U.S.C. 1395l(t), as amended by section 201(h) of the BBRA of 1999 (Pub. L. 106-113). The Panel is governed by the provisions of Pub. L. 92-463, the Federal Advisory Committee Act (FACA), as amended (5 U.S.C. Appendix 2), which sets forth standards for the formation and use of advisory panels.

FUNCTION

The Panel shall advise the Secretary and the Administrator about the clinical integrity of the APC groups and their associated weights. The Panel is technical in nature, and it shall deal with the following issues:

- Addressing whether procedures are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving Healthcare Common Procedure Coding System (HCPCS) codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC weights.
- Packaging device and drug costs into APCs: methodology, effect on APCs, and need for reconfiguring APCs based upon device and drug packaging.
- Removing procedures from the inpatient list for payment under the OPPS.
- Using single and multiple procedure claims data.
- Packaging of HCPCS codes.
- Addressing other technical issues concerning APC structure.

The subject matter before the Panel shall be limited to these and related topics. Unrelated topics are not subjects for discussion. Unrelated topics include, but are not limited to, the conversion factor, cost compression, pass-through payments for medical devices and drugs, and wage adjustments.

The Panel may use data collected or developed by entities and organizations, other than the DHHS and CMS, in conducting its review.

To obtain the broadest possible input for its work, the Panel must consult with entities and organizations, such as the medical device and drug industries, that have expert technical knowledge concerning the components of APCs.

The Secretary and the Administrator shall be advised of all matters pertaining to the Panel (i.e., membership, recommendations, subcommittees, meetings, etc.).

STRUCTURE

The Panel shall consist of up to 15 members who are full-time employees of hospitals and other Medicare providers subject to the OPSS. The Secretary or Administrator selects the Panel membership based upon either self-nominations or nominations submitted by Medicare providers and other interested organizations. The Secretary or designee shall select a Chair for the Panel.

All members must have technical expertise that shall enable them to participate fully in the work of the Panel. Such expertise encompasses hospital payment systems, hospital medical-care delivery systems, outpatient payment requirements, APCs, CPTs, and the use and payment of drugs and medical devices in the outpatient setting, as well as other forms of relevant expertise. However, it is not necessary that any member be an expert in all of the areas listed above.

All members shall have a minimum of 5 years experience in their areas of expertise, and they must be currently employed full-time in their areas of expertise. For purposes of this Panel, consultants or independent contractors are not considered to be full-time employees.

A Federal official shall serve as the Chair; s/he shall call and facilitate the Panel meetings. A Designated Federal Officer (DFO) shall be appointed to the Panel. The DFO shall perform the following functions:

- Maintaining required records on costs and membership.
- Ensuring efficient operations.
- Maintaining records for availability to the public.
- Providing copies of committee reports to the DCMO who shall, in turn, forward them to the Library of Congress.
- Providing management support services for the Panel and its standing and ad hoc subcommittees.

Initially, all members were invited to serve on the Panel for staggered terms; however, subsequent terms shall be for periods up to 4 years (usually beginning on October 1 and terminating on September 30 of specified years). All terms are contingent upon the renewal of

the Panel prior to the Panel's termination date. A member may serve after the expiration of his/her term until a successor has taken office.

In order to conduct the business of the Panel, a quorum is required. A quorum shall consist of a majority of currently appointed members.

As necessary, standing and ad hoc subcommittees, composed of members of the parent Panel, may be established to perform functions within the Panel's jurisdiction.

The FACA provides that each agency sponsoring a Federal advisory committee must appoint a Department Committee Management Officer (DCMO). The DFO shall notify the DCMO upon the establishment of each standing subcommittee and shall give information on its name, membership, function, and estimated frequency of meetings.

MEETINGS

Meetings shall be held up to three times a year at the call of the Chair. The agenda, which will set the boundaries for discussion, shall be developed by CMS, specifically by the Chair, the DFO, and other OPPS staff.

Meetings shall be open to the public, except as determined otherwise by the Secretary or other official to whom the authority has been delegated. Adequate advance notice of all meetings shall be published in the **Federal Register**, as required by applicable laws, stating reasonably accessible and convenient locations and times.

Meetings shall be conducted, and the DFO shall keep records of the proceedings, as required by applicable laws and DHHS regulations.

COMPENSATION

All members shall serve in a voluntary status without compensation pursuant to advance written agreement. Members of the Panel shall be entitled to receive reimbursement for travel expenses and per diem in lieu of subsistence, in accordance with Standard Government Travel Regulations.

ANNUAL COST ESTIMATE

Estimated annual cost for operation of the Panel, including travel and per diem for members, and logistical support—excluding staff support—is \$55,781 (travel & per diem, transcripts and reports, and supplies) for FY 2005 and \$61,359 for FY 2006. The estimated annual person-years of staff support required are 0.58 FTE, and the estimated annual cost for that 0.58 FTE is approximately \$44,080.

REPORTS

In the event that a portion of a meeting is closed to the public because of reviewing proprietary data, or deliberating considerations of proprietary data, a report shall be prepared that shall contain, at a minimum, the following: a list of members and their business addresses; the Panel's or subcommittee's function; dates and places of meeting(s); and a summary of the Panel's/subcommittee's activities and recommendations made during that meeting. Reports shall also be prepared after all open-to-the-public Panel meetings and any subcommittee meetings. The DFO shall provide copies of all reports to the DCMO.

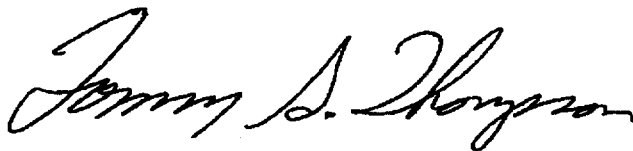
TERMINATION DATE

Unless renewed by appropriate action prior to its expiration, the Panel shall terminate on November 1, 2006.

APPROVED:

11/1/2004

Date



Tommy G. Thompson
Secretary